

ND STATE BONDING FUND

State Investment Board Balance Sheet As of 8/31/2008

	As of <u>8-31-08</u>	As of <u>6-30-08</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 633,899	\$ 600,315
INTERNATIONAL EQUITIES	245,026	238,009
DOMESTIC FIXED INCOME	1,359,261	1,415,135
INVESTED CASH (NOTE 1)	<u>253,511</u>	<u>263,002</u>
 TOTAL INVESTMENTS	 2,491,697	 2,516,461
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	29,477	28,561
MISCELLANEOUS RECEIVABLE	<u>2</u>	<u>4</u>
 TOTAL RECEIVABLES	 29,479	 28,565
 OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	81,315	81,315
OPERATING CASH	<u>412</u>	<u>452</u>
 TOTAL ASSETS	 <u>\$ 2,602,903</u>	 <u>\$ 2,626,793</u>
 LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	81,315	81,315
ACCOUNTS PAYABLE	10	17
ACCRUED EXPENSES	33	30
INVESTMENT EXPENSE PAYABLE	<u>3,903</u>	<u>3,903</u>
 TOTAL LIABILITIES	 85,261	 85,265
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	2,541,528	2,729,760
CASH IN DURING YEAR (NOTE 3)	0	0
CASH OUT DURING YEAR (NOTE 4)	0	80,000
NET INCREASE (DECREASE)	<u>(23,886)</u>	<u>(108,232)</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>2,517,642</u>	 <u>2,541,528</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 2,602,903</u>	 <u>\$ 2,626,793</u>

ND STATE BONDING FUND

State Investment Board Profit and Loss Statement For the Month Ended 8/31/2008

	Month Ended <u>8-31-08</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 8,434	\$ 16,754
SECURITIES LENDING INCOME	204	403
	<u>8,638</u>	<u>17,157</u>
 GAIN ON SALE OF INVESTMENTS	 37,234	 71,801
LOSS ON SALE OF INVESTMENTS	<u>36,988</u>	<u>76,391</u>
 NET GAINS (LOSSES) INVESTMENTS	 246	 (4,590)
 INVESTMENT EXPENSES	 819	 3,890
SECURITIES LENDING EXPENSES	151	294
 NET INVESTMENT INCOME	 7,914	 8,383
 NET APPREC (DEPREC) MARKET VALUE	 (2,719)	 (33,209)
MISCELLANEOUS INCOME/(EXPENSE)	<u>993</u>	<u>980</u>
 TOTAL INVESTMENT INCOME	 <u>6,188</u>	 <u>(23,846)</u>
 DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	20	40
 NET INCREASE (DECREASE)	 <u>\$ 6,168</u>	 <u>\$ (23,886)</u>

ND STATE BONDING FUND

State Investment Board SUPPLEMENTARY INFORMATION As of 8/31/2008

	As of <u>8/31/08</u>
ASSETS:	
INVESTMENTS (AT COST)	
LARGE CAP EQUITY	516,278
SMALL CAP EQUITY	202,325
TOTAL DOMESTIC EQUITIES	<u>718,603</u>
INTERNATIONAL EQUITY	253,543
FIXED INCOME	1,385,681
INVESTED CASH (NOTE 1)	<u>253,511</u>
TOTAL INVESTMENTS (AT COST)	<u><u>\$2,611,337</u></u>

ND STATE BONDING FUND
Notes To Financial Statements
August 31, 2008

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in a money market demand account at the Bank of North Dakota.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust during the current fiscal year.

NOTE 4 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust during the current fiscal year.